

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located):

PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO, CALIFORNIA
(STATE: CALIFORNIA)

REFUNDING REVENUE BONDS (REASSESSMENT DISTRICT NO. 1999-1)
SERIES 1999-A SENIOR LIEN BONDS

REFUNDING REVENUE BONDS (REASSESSMENT DISTRICT NO. 1999-1)
SERIES 1999-B SUBORDINATE LIEN BONDS

Other Obligated Person's Name (if any): _____
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s), if available, of Issuer: **79729P**

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

☒ Electronic

Paper (no. of pages attached)

If information is also available on the Internet, give URL: NOT AVAILABLE _____

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

☒ X

A. Annual Report for the Fiscal Year Ended June 30, 2007

(Financial information and operating data should not be filed with the MSRB.)

☐

B. Financial Statements or CAFR pursuant to Rule 15c2-12

☐

C. Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

- | | |
|---|---|
| 1. Principal and interest payment delinquencies | 6. Adverse tax opinions or events affecting the tax-exempt status of the security |
| 2. Non-payment related defaults | 7. Modifications to the rights of security holders |
| 3. Unscheduled draws on debt service reserves reflecting financial difficulties | 8. Bond calls |
| 4. Unscheduled draws on credit enhancements reflecting financial difficulties | 9. Defeasances |
| 5. Substitution of credit or liquidity providers, or their failure to perform | 10. Release, substitution, or sale of property securing repayment of the securities |
| | 11. Rating changes |

☒ X

D. Notice of Failure to Provide Annual Financial Information as Required

See the Annual Report, Section (a).

☐

E. Other Secondary Market Information (Specify): _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

Issuer Contact:

Name: **MARY LEWIS**

Title: **CHIEF FINANCIAL OFFICER**

Employer: **CITY OF SAN DIEGO**

Address: **202 C STREET, MAIL STATION 9A**

City: **SAN DIEGO** State: **CA** Zip Code: **92101**

Dissemination Agent Contact, if any:

Name: **MARY LEWIS**

Title: **CHIEF FINANCIAL OFFICER**

Employer: **CITY OF SAN DIEGO**

Address: **202 C STREET, MAIL STATION 9A**

City: **SAN DIEGO** State: **CA** Zip Code: **92101**

Relationship to Issuer: **DISSEMINATION AGENT**

Investor Relations Contact, if any:

Name:

Title:

Telephone:

**ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2007
BY THE PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO
RELATING TO**

**\$30,515,000
REFUNDING REVENUE BONDS (REASSESSMENT DISTRICT NO. 1999-1)
SERIES 1999-A SENIOR LIEN BONDS**

**\$7,630,000
REFUNDING REVENUE BONDS (REASSESSMENT DISTRICT NO. 1999-1)
SERIES 1999-B SUBORDINATE LIEN BONDS**

(CUSIP Number 79729P)

The following Annual Report is being provided by the City of San Diego (the "City") for the above stated issuance (the "Bonds"), pursuant to the Continuing Disclosure Agreement requirements and in compliance with Securities and Exchange Commission Rule 15c2-12 for the fiscal year ending June 30, 2007 (the "Annual Report").

The Annual Report, including any amendment or supplement hereto, will be electronically transmitted to the CENTRAL POST OFFICE by the Dissemination Agent for retransmission by the CENTRAL POST OFFICE to each of the Nationally Recognized Municipal Securities Information Repositories (the "NRMSIRs"), approved by the Securities and Exchange Commission, set forth in Exhibit A.

The Annual Report is provided in accordance with the terms of the Continuing Disclosure Agreement, and does not purport to provide full and complete information on the terms of the Bonds. The filing of the Annual Report does not constitute or imply any representation that no changes, circumstances or events have occurred since the end of the fiscal year to which the Annual Report relates (other than as contained in the Annual Report), or that no other information exists which may have a bearing on the security for the Bonds, or an investor's decision to buy, sell or hold the Bonds. Certain information and data provided herein was obtained from sources other than the City (the "Outside Information"), as indicated by the source citations. Although the information contained in the Annual Report has been obtained from sources which are believed to be reliable, the City has not independently verified such Outside Information, and the City cannot guarantee its completeness or accuracy. No statements in the annual report should be construed as a prediction or representation about future financial performance of the City or Reassessment District No. 1999-1.

The Community Facilities District and Assessment District Funds are considered part of the City's reporting entity and can be found in the supplementary information section, under the headings Nonmajor Governmental Funds - Debt Service (Other Special Assessments), and Nonmajor Governmental Funds - Capital Projects (Other Construction), of the City of San Diego's Comprehensive Annual Financial Report ("CAFR").

On March 12, 2007, the City received an unqualified opinion from KPMG, the City's outside auditors, on its fiscal year 2003 financial statements. On May 11, 2007, the City received an unqualified opinion from Macias, Gini and O'Connell ("Macias"), the City's new outside auditors, on the City's financial statements for fiscal year 2004. Those audited financial statements were recently filed with the Central Post Office for transmission to the NRMSIRs.

On October 26, 2007, Macias released an unqualified opinion on the City's financial statements for fiscal year 2005. Subsequently, on December 13, 2007, the City's Chief Operating Officer announced that the City was reopening the 2005 financial statements for the limited purpose of revising Note 18 of such financial statements with respect to issues related to the City's pension system. On February 8, 2008, Macias issued an unqualified audit opinion on the City's 2005 financial statements incorporating the opinion of October 26 and covering the subsequent revisions to the 2005 financial statements. The 2005 financial statements were reviewed by the City's Audit Committee and were received and filed by the City Council on March 26, 2008. The 2005 financial statements will be filed with the Central Post Office for transmission to the NRMSIRs when published for release. On March 21, 2008, Macias issued an unqualified opinion on the City's 2006 financial statements. The 2006 financial statements are awaiting review by the Audit Committee and the City Council. It is unknown at this time when the City's financial statements for fiscal year 2007 will be completed.

This Annual Report does not include the audited financial statements of the City for the fiscal years ended June 30, 2006 and June 30, 2007, because they have either not been completed or have not been received and filed by the City Council. Once the audited financial statements for fiscal years 2006 and 2007 are reviewed and filed by the City Council, they will be filed with the Central Post Office for transmission to the NRMSIRs.

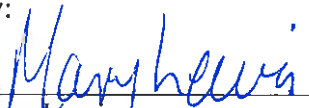
The City is acting as the Dissemination Agent for the above stated issuance. The City does not have any obligation to update this report other than as expressly provided in the Continuing Disclosure Agreement.

Any statements regarding the above stated issues, other than a statement made by the City in an official release or subsequent notice or annual report, published in a financial newspaper of general circulation and/or filed with the Municipal Securities Rulemaking Board or the NRMSIRs, are not authorized by the City. The City shall not be responsible for the accuracy, completeness or fairness of any such unauthorized statement.

DATED: April 1, 2008

CITY OF SAN DIEGO

By:



Mary Lewis
Chief Financial Officer

EXHIBIT A

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission:

Bloomberg Municipal Repository

100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
<http://www.bloomberg.com/markets/rates/municontacts.html>
Email: Munis@Bloomberg.com

DPC Data Inc.

One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
<http://www.dpcdata.com>
Email: nrmsir@dpcdata.com

FT Interactive Data

Attn: NRMSIR
100 William Street, 15th Floor
New York, NY 10038
Phone: 212-771-6999; 800-689-8466
Fax: 212-771-7390
<http://www.ftid.com>
Email: NRMSIR@interactivedata.com

Standard & Poor's Securities Evaluations, Inc.

55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
<http://www.disclosuredirectory.standardandpoors.com/>
Email: nrmsir_repository@sandp.com

**PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO
Reassessment District No. 1999-1
Refunding Revenue Bonds
Series 1999-A Senior Lien Bonds & Series 1999-B Subordinate Lien Bonds**

**Annual Report Under the Continuing Disclosure Agreement
Fiscal Year Ending June 30, 2007**

This Annual Report includes information required by the Continuing Disclosure Agreement for Public Facilities Financing Authority of the City of San Diego Refunding Revenue Bonds (Reassessment District No. 1999-1) Series 1999-A Senior Lien Bonds and Series 1999-B Subordinate Lien Bonds, except for the Comprehensive Annual Financial Report of the City of San Diego (the "CAFR") for the Fiscal Year ended June 30, 2007 (see item (a) below):

- (a) The Community Facilities District and Assessment District Funds are considered part of the City's reporting entity and can be found in the supplementary information section, under the headings Nonmajor Governmental Funds - Debt Service (Other Special Assessments), and Nonmajor Governmental Funds - Capital Projects (Other Construction), of the City of San Diego's Comprehensive Annual Financial Report ("CAFR").

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**PUBLIC FACILITIES FINANCING AUTHORITY
OF THE CITY OF SAN DIEGO
Reassessment District No. 1999-1
Refunding Revenue Bonds
Series 1999-A Senior Lien Bonds & Series 1999-B Subordinate Lien Bonds**

**Annual Report Under the Continuing Disclosure Agreement
Fiscal Year Ending June 30, 2007**

This Annual Report does not include the audited financial statements of the City for the fiscal years ended June 30, 2006 and June 30, 2007, because they have either not been completed or have not been received and filed by the City Council. Once the audited financial statements for fiscal years 2006 and 2007 are reviewed and filed by the City Council, they will be filed with the Central Post Office for transmission to the NRMSIRs.

Source: City of San Diego, Debt Management; City of San Diego, Auditor and Comptroller's Office

- (b) Other financial information and operating data relating to Reassessment District No. 1999-1 contained in the Official Statement for the Bonds (all data as of December 31, 2007):

(1) Principal amount of bonds outstanding:

Senior Lien Bonds	\$ 13,655,000
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Subordinate Lien Bonds	\$ 3,385,000
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Source: City of San Diego, Debt Management

(2) Balance in the Revenue Fund:	\$ 0.00
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Source: US Bank Trustee Statements; City of San Diego, Debt Management

(3) Balance in the Reserve Fund:

Senior Lien Bonds: Currently Satisfied By Surety Bond provided by AMBAC Assurance Corp.	\$ 3,051,500
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Subordinate Lien Bonds:¹ \$ 712,235

Source: US Bank Trustee Statements; City of San Diego, Debt Management

Reserve Requirements:

Senior Lien Bonds: \$ 3,051,500 - Currently Satisfied
By Surety Bond provided by AMBAC Assurance
Corp.²

Subordinate Lien Bonds: \$645,400 – (\$763,000 Less
Reserve Fund Prepayment Credits and Reserve Fund
Lien Discharge Credits.)

Source: US Bank Trustee Statements; City of San Diego, Debt Management

(4) Updates of the following tables in the Official Statement
are attached:

Table 2 - Development Status and Land Use Summary

Table 4 - Assessed Value-To-Lien Ratio Ranges

Table 6 - Appraised Value-To-Lien Ratios by Property
Owner (excluding the columns headed “Appraised
Value” and “Appraised Value-To-Lien Ratio”)

Table 8 - Delinquency History

¹ As of March 3, 2008, the balance in the Subordinate Lien Bonds reserve fund was \$646,395, which reflects application of a \$59,600 Reserve Fund Lien Discharge Credit attributable to the final maturity of the First San Diego River Improvement Project local obligations, and other excess reserve fund monies.

² On January 18, 2008, Fitch Ratings announced that it had downgraded Ambac Financial Group, Inc. and its affiliated entities, including the downgrade of Ambac Assurance Corporation’s rating to “AA” from “AAA.” On February 7, 2008 the applicable Material Event Notice was filed by the City of San Diego.

Table 2
Public Facilities Financing Authority of the City of San Diego
Refunding Revenue Bonds (Reassessment District No. 1999-1)
Development Status and Land Use Summary

Land Uses	Number of Parcels	Total 2007/2008 Assessed Value	Aggregate Reassessment Lien September 3, 2007	<u>Percentages</u>		Assessed Value-to-Lien Ratio
				Parcels	Lien	
Developed Property						
Residential	2,646	\$1,011,980,733	\$5,888,788.11	88.61%	30.56%	171.85
Commercial	59	245,122,665	3,320,808.84	1.98%	17.23%	73.81
Manufacturing	<u>182</u>	<u>425,596,943</u>	<u>5,226,339.30</u>	<u>6.10%</u>	<u>27.12%</u>	81.43
Subtotal	2,887	\$1,682,700,341	\$14,435,936.25	96.69%	74.91%	116.56
Under Construction						
Residential	3	\$118,833	\$9,545.93	0.10%	0.05%	12.45
Commercial	6	Source: Shepherd &	173,332.88	0.20%	0.90%	#VALUE!
Manufacturing	<u>1</u>	<u>331,500</u>	<u>11,225.00</u>	<u>0.03%</u>	<u>0.06%</u>	29.53
Subtotal	10	\$450,333	\$194,103.81	0.33%	1.01%	2.32
Residential	29	\$89,533,184	\$1,241,561.37	0.97%	6.44%	72.11
Commercial	15	10,136,342	613,022.41	0.50%	3.18%	16.54
Manufacturing	34	23,690,372	1,360,517.52	1.14%	7.06%	17.41
Other	<u>11</u>	<u>23,673,678</u>	<u>1,425,282.99</u>	<u>0.37%</u>	<u>7.40%</u>	16.61
Subtotal	89	\$147,033,576	\$4,640,384.29	2.98%	24.08%	31.69
Grand Total	2,986	\$1,830,184,250	\$19,270,424.35	100.00%	100.00%	94.97

Source: Shepherd & Staats, Inc., Public Administration Consultants

Table 4
Public Facilities Financing Authority of the City of San Diego
Refunding Revenue Bonds (Reassessment District No. 1999-1)
Assessed Value-to-Lien Ratio Ranges

Assessed Value-to-Lien Range	Number of Parcels	Total 2007/2008 Assessed Values			Aggregate Reassessment Lien September 3, 2007	Assessed Value-to-Lien Ratio	Percentage of Lien Outstanding
		Land	Improvement	Total			
Greater than 100:1	2,398	\$570,281,921	\$638,607,651	\$1,208,889,572	\$5,314,045.98	227.49	27.58%
Between 50:1 and 99.99:1	434	190,526,927	232,130,151	422,657,078	6,118,195.19	69.08	31.74%
Between 30:1 and 49.99:1	43	58,198,383	70,669,145	128,867,528	3,406,791.57	37.83	17.68%
Between 20:1 and 29.99:1	47	39,378,784	12,105,377	51,484,161	2,064,138.00	24.94	10.71%
Between 10:1 and 19.99:1	49	15,826,360	945,937	16,772,297	1,259,342.57	13.32	6.54%
Between 5:1 and 9.99:1	7	5,317,238	82,696	5,399,934	672,029.05	8.04	3.49%
Between 3:1 and 4.99:1	0	0	0	0	0.00		0.00%
Between 2:1 and 2.99:1	1	54,820	0	54,820	20,863.46	2.63	0.11%
Between 1:1 and 1.99:1	0	0 ation Consultants		#VALUE!	0.00		0.00%
Less than 1:1	<u>7</u>	<u>28,330</u>	<u>0</u>	<u>28,330</u>	<u>415,018.53</u>	0.07	<u>2.15%</u>
Total	2,986	\$879,612,763	\$954,540,957	#VALUE!	\$19,270,424.35	#VALUE!	100.00%

Source: Shepherd & Staats, Inc., Public Administration Consultants

Table 6
Public Facilities Financing Authority of the City of San Diego
Refunding Revenue Bonds (Reassessment District No. 1999-1)
Value-to-Lien Ratio Ranges Less Than 3:1, by Owner

	Owner	Original Assessment District	No. of Parcels	Aggregate Reassessment Lien September 3, 2007	Percentage of Lien Outstanding	Total 2007/2008 Assessed Value	Assessed Value-to-Lien Ratio
1	CITY OF SAN DIEGO	4029	1	\$3,769.11	0.02%	\$0	0.00
2	CALTRANS	4010/4019	2	140,946.90	0.73%	0	0.00
3	KAISER FOUNDATION HOSPITAL	4013	1	67,667.27	0.35%	0	0.00
4	PARDEE HOMES	4013	3	202,635.25	1.05%	28,330.00	0.14
5	MANSFIELD, FLORENCE E	4013	<u>1</u>	<u>20,863.46</u>	<u>0.11%</u>	<u>54,820</u>	2.63
Totals			8	\$435,881.99	2.26%	\$83,150	0.19

Source: Shepherd & Staats, Inc., Public Administration Consultants

Table 8
Public Facilities Financing Authority of the City of San Diego
Refunding Revenue Bonds (Reassessment District No. 1999-1)
Delinquency History

Fiscal Year	Parcels Assessed	Total Levy	Delinquent Installments	Percent Delinquent	Amount Remaining Delinquent As of 01/04/08	Percent Remaining Delinquent As of 01/04/08
2006-07	2,986	\$3,216,031	\$48,162	1.50%	\$41,692	1.30%
2005-06	3,369	\$3,547,930	\$38,957	1.10%	\$30,433	0.86%
2004-05	3,371	\$3,385,723	\$57,215	1.69%	\$27,462	0.81%
2003-04	3,096	\$3,520,921	\$42,916	1.22%	\$23,638	0.67%
2002-03	3,104	\$3,666,292	\$42,479	1.16%	\$24,098	0.66%
2001-02	3,105	\$3,475,356	\$27,797	0.80%	\$0	0.00%
2000-01	3,077	\$3,773,556	\$28,124	0.75%	\$0	0.00%
1999-00	3,013	\$4,377,862	\$22,140	0.51%	\$0	0.00%
Total Amount Delinquent					\$147,323	

The District has covenanted that it will commence judicial foreclosure proceedings against parcels with delinquent special assessments in excess of \$7,500 by November 1 following the close of each fiscal year in which such special assessments were due.

As of January 4, 2008, delinquencies associated with two parcels owned by Caltrans, covering Fiscal Year 2003 through Fiscal Year 2007, totaled \$116,299 which meets the foreclosure threshold. Parcel owners have been referred to the City Attorney's Office for collection. Caltrans is aware that legal action may be forthcoming if payment is not received.

Delinquency associated with one other parcel, covering Fiscal Years 2005 through Fiscal Year 2007, totaled \$12,083, which meets the foreclosure threshold. On January 18, 2008, City Council approved the City of San Diego, Debt Management Department to proceed with judicial foreclosure action.

Source: San Diego County Delinquency Reports ST280190 and ST28-0090-02; City of San Diego, Debt Management